



BIG MOUNTAIN SEWER DISTRICT

PO Box 1252
Whitefish, Montana 59937

Board of Directors Minutes

June 22, 2021 9:00 am

Northern Lights Conference Room, Kandahar Lodge and Zoom

1. CALL TO ORDER

President Sato called the meeting to order at 9:01 a.m. Present in person were Brad Kincaid, Jason Hanchett, Cory Midland/406 Builders, and Leslie Bales. Present via Zoom were Paul Montgomery/ Anderson-Montgomery, Al Clough, Kathy McAughan, Charlotte Greenbarg, Wil Goodpaster/Landmark and Greg Ferrian.

Montgomery requested an updated email contact list for the BMSD Board members, Bales will send him the requested information.

2. INTRODUCTIONS

The Board (Sato, Kincaid, McAughan, Clough, and Ferrian) introduced themselves to the visitors attending the meeting.

3. PUBLIC COMMENT

Greenbarg commented that she noted the City of Whitefish is not raising rates this year, and sees with appreciation recommendation is for the district not to raise rates. President Sato thanked Greenbarg for her comments.

4. PRESENTATIONS

None.

5. REVIEW OF MINUTES

The minutes from the April 6, 2021 regular meeting were approved with the spelling of Greenbarg corrected upon motion of Kincaid, second by McAughan. Motion carried unanimously.

6. FINANCIAL REVIEW

Kincaid made motion to approve the Financials (Balance Sheet, Income Statement, Cash Flow, City of Whitefish Usage/Fees, Check Registers, YTD Tax Revenues, and Actual vs Budget) as of June 20, 2021; second by Clough. Motion carried unanimously.

7. OLD BUSINESS

a. Request for additional EDU's

- i. Cory Midland/406 Builders was present with regards to the property located at Lot #1 Lower Subdivision, 3812 Tamarack Ave owned by Eric Saline. Midland is the contractor for Saline's tri-plex project. Midland outlined the basics of the tri-plex building plan, two units at 6300 sq ft and one at 8300 sq ft, also providing Hanchett with a set of final plans to calculate the plant investment fees for the property. Hanchett reported this lot was slated to have one service but each of the three units will need a separate tap for sewer, and the costs for these taps are the responsibility of the property owner. Hanchett shared it would probably require 1 1/2" meters for each unit. Montgomery verified that 1 1/2" meters are measured

at 4 EDU each. Clough made motion to approve the EDU's for 1 ½" meters for the three units (12 EDU's); second by Kincaid. Motion carried unanimously. A will serve letter will be processed and sent to Saline. Midland thanked the Board for their consideration of the project.

- ii. 3855 Gelande St – President Sato reported Ken Reaser let Administrative Manager Bales know that he no longer owned this property so we will wait to hear from the new owners/developers.
- iii. Landmark Properties – Wil Goodpaster was present via Zoom, introducing himself and stating they are still working on finalizing the amenities and appliance packages for the Landmark Properties. Goodpaster asked if anyone had any questions regarding the project. Sato informed Goodpaster Landmark is currently paying for 54 EDU's, and after Hanchett receives and reviews the final plans the new EDU requirements will be reevaluated. Kincaid explained the EDU process to Goodpaster, with discussion following.
- b. 162 Ridge Run Drive update – President Sato reported Keebaugh has paid their fine to the HOA, and will be dividing his property into two parcels with one structure on each parcel. Sato reported Flathead County will need to approve the split, then Keebaugh will abandon the current sewer tap and retap two new service lines – one for each property.
- c. Sato asked for a motion to approve Contractor Agreement #3 (Grant Application and PER) Scope/Compensation, Safety, Insurance, and Indemnification for work performed by Paul Montgomery for Anderson-Montgomery (A/M) which includes payment of \$7,900. Clough made motion to approve Contractor Agreement #3 and payment for \$7,900, adding we are getting consistent value for his work on our project; second by McAughan. Motion carried unanimously.
- d. President Sato reported BMSD received official approval of \$500,000 grant from the Montana Coal Endowment Program (TSEP) for our I & I Project.
- e. President Sato reported BMSD also received official approval of \$125,000 grant from Montana DNRC RRGL.
- f. Grant Project Scope –
Montgomery expressed appreciation for the contract amendment, then reported BMSD received \$500,000 from TSEP and \$125,000 from DNRC RRGL. Montgomery continued there is also a local component to the project with a SRF loan and local funding. Montgomery reported he completed review of the most recent closed circuit tv inspections completed last week by Hanchett and A-1 yesterday, and sent report to the BMSD Board (attached). Montgomery continued he came up first in the spring of 2018, and determined most of the clear water seems to be coming from the village. The objective was to chase the water upstream and find the basins it was coming from. Montgomery stated they have identified 7800' of sewer line that has inflow, from CCTV in 2019. Montgomery reported there are about 1800 lineal feet of pipe that have expressions of infiltration, warranting repair or replacement. It is rather unsatisfying we found no smoking guns or cascades of water flowing into the mains. Montgomery added they are not seeing a lot of problem with the sewer mains, the problems are primarily with the manholes adding this is good news, as BMSD can be confident the sewage system is in good shape. The main problem is with 17 manholes that show significant or active inflow. Montgomery continued they are also looking at

the 2.9 mile long outflow line down to Eastshore drive and the City of Whitefish, and also looked at the outflow line manholes in early May and discovered there are a number of these that are contributing to inflow during the spring runoff when the bills go sky high. Montgomery summarized upon review he rescope the project to replace or reline 1800' of sewer line and 17 manhole replacements in the village, two individual service lines show consistent signs of I&I, and the Base Lodge grease trap shows significant signs of inflow. Montgomery continued with the money available we want to make sure the district does not have to worry about these manholes leaking again in the future. One pickhole in a manhole cover can contribute about \$10,000 worth of clear water, and if we implement the scope outlined in my memo, we should be able to take a good bite out of the bill from Whitefish. Montgomery stated we don't want to do work that is not necessary, and we want to advocate a practical project with high quality repair to reduce the inflow and infiltration concluding the project scope is now about half a million dollars. Discussion about CCTV for the outfall line with Hanchett replying this is budgeted for FY22. Montgomery reported TD&H did a report in 2008 and felt the problem was with manholes in the outfall line at that time also, and we may want to add these to the project. Montgomery asked the Board how they want to proceed. McAughan asked for a timeline with Montgomery replying 1. Get draft agreements from DNRC RRGL grant for \$125,000 and Montana Coal Endowment Program (TSEP) for \$500,000. 2. Sign agreements, and he will help with startup conditions. 3. Negotiate contract with Anderson-Montgomery for the project. 4. Design the project during wintertime, and then coordinate construction time, targeting the shoulder season for construction which might be April and May of 2022 which would be the earliest we could be ready. 60 days for construction is the estimate. McAughan thanked Montgomery.

Kincaid asked – how do we get cash? Is it reimbursed as the project moves forward? Montgomery replied we sign agreements, and then undertake the work and part of the design will be funded through TSEP along with a request for reimbursement. TSEP pays a portion of each invoice until we reach grant ceiling. Montgomery clarified the District submits the bills, but we don't pay A/M until after we receive the funds from TSEP. Sato asked what happens if we don't use all of the TSEP grant. Montgomery replied we use as much as possible with thoughtful improvements. McAughan asked about accountability? Inspections? Minority component? Montgomery reported you have to make an effort to document those solicitation efforts, adding this is also important for SRF loans, but they are targets, not requirements. The quarterly reports are prepared by A/M on the district's behalf on status of project and status of funding. Clough asked if we will be using only State dollars. Montgomery replied yes, but if SRF loan we must implement Davis Bacon, if not SRF we implement Montana prevailing wage, and we will have to pay Fair Wage. Clough commented yes expect to pay Fair Wage but Federal has other requirements that are very troubling. Ferrian asked for clarification that the target is manhole covers? Montgomery corrected the target is manholes, including the barrel also, not just the covers. Montgomery explained how manholes can leak, continuing he is looking at different technologies that will seal the manhole from the outside instead of replacing. Hanchett commented there are at least two access points that are buried under

asphalt to complete CCTV inspections. Would that be better suited on the grant money- or FY22 budget and get it done? Expose and raise? We have not been able to pull the lids. Montgomery suggested work with A-1 to get camera on easier manholes and save those manholes for the main project, so we will assess, and either add to the scope of project or complete if minor repair; sharing he sees them reviewing each manhole in the project with what it will need to repair. Montgomery continued if project is drawn back to half a million, and we know we have to match TSEP dollar for dollar it would be \$250,000 from TSEP, with \$125,000 DNRC RRGL, and then \$125 local contribution which will satisfy the match requirements. Sato asked about American Rescue Plan Act. Montgomery reported there are three different pots of funding, and BMSD does not qualify for the first two; and competitive grant applications are due July 15 with ranking on match money, public health, and your match. TSEP and DNRC can be used as matching dollars. Montgomery asked – do you want to submit an application? The basic grant application has already been completed for the other grant applications. Montgomery will ask more questions with regards to the ARPA grants, and get the answers to BMSD Board.

Sato asked what the Board thoughts were on the American Rescue Plan Act possibility for additional grant funding. Kincaid commented just because you can get a grant, doesn't mean you should. We do have a nice reserve. Montgomery mentioned it may also impose more federal guidelines on our project. Clough agreed he concurred with this, free money is actually never free and regulations will cover entire project and this is probably not a prudent place to go right now. Board consensus was not to pursue the ARPA grant.

Sato asked Montgomery - where do we go from here with you? Montgomery stated we will need to confirm some of the scope, then draft agreement #4 for the Board to consider at your next meeting. The Board thanked Montgomery for his time and work.

- g. Bales reported with the Boards support she contacted Flathead County to try and get access to a mailing list for the properties within our district, reaching out to Richard Gebhardt, our attorney for assistance. Bales was happy to report this was successful, and we will be able to get the list for rate increase mailing for a fee of \$50. Bales thanked the Board for their support.
- h. President Sato reported House Bill 255 died in process.
- i. Bales reported she had been asked to price insurance through Montana Association of Counties, and when she received the first price quote of \$10,000 without adding our assets compared to our current cost of \$2,000 annually, felt we need to research insurance for the District further. Bales reported she has contacted all the governmental "sewer" districts in Montana along with the "water and sewer" districts in northwest Montana asking who they use for their insurance. Once we receive this information Bales will come back to the Board with recommendation on how to proceed to review our insurance, stating we really do not want to go into a large project without being sure we have adequate

insurance for BMSD. Bales reported we will probably need a committee for review, and the process will involve going out for quotes for coverage. Bales will report again at our next meeting.

8. NEW BUSINESS

- a. Hanchett gave the maintenance update, stating he has finished with camera work for this budget year. A-1 did some remaining camera work this month and Montgomery has reviewed for the memo he just sent to the Board. Hanchett reported they are seeing some concern with the control board for the Base Lift Station, as it is not tallying enough hours for the pump system. Hanchett reported they worked through some troubleshooting with an electrician over the phone, and it appears to be working properly now but may need to replace a portion of the control board at about \$1000.

Hanchett reported the maintenance budget for FY22 has been submitted to the board, maintaining lift stations, cleaning and jetting, generator service agreements, jetting of lines that are routine, again recur year after year. Also includes recommended additional items 1. Sewer inflow catch barrels – 4 – need these on the outflow line. 2. Camera outflow line. Hanchett asked, Does this need to move to the project? \$4400 – agreements? Montgomery will check whether investigation work is reimbursable. Discussion followed. Montgomery stated he would never hesitate to get as much information as possible. It has been a lot of years, and a lot of sewage. Montgomery suggested he and Hanchett go through what has not been done yet, and see if it warrants review. Hanchett continued through his budget item by item, and then came to the Capital Expense to raise two manholes along Big Mountain Road, after discussion agreed to pull from budget and wait to do with grant money. Montgomery commented Hanchett has CCTV about a third of the lines in village, and a portion of the manholes; maybe pull more manholes in village to ensure we don't have any more that need work during the scope of our project. Hanchett agreed that he feels this is warranted to pop lids that have not been exposed in many years, may have to dig up some of the manhole that are covered by 6" to 12". Montgomery and Hanchett will confer and report back to the board at our next meeting.

- b. Kincaid made motion to accept donated assets from Glades 4 for \$63,000 and Northern Lights Phase 3 for \$155,000; second by McAughan. Motion carried unanimously.
- c. Bales presented the FY2022 Preliminary Budget she had prepared from the FY21 expenses, anticipated expenses and Hanchett's maintenance budget for FY22. Bales reported major changes compared to the FY21 Budget are outlined in the FY22 Draft Budget – Detail Explanations for Increase (attached). Discussion followed with Clough asking if there are enough reserves to fund this without a rate increase. Discussion followed regarding replenishing our reserves, what is a catastrophic event with Hanchett stating he would feel comfortable having a \$100k reserve. Sato asked about increasing Hanchett's stipend under 5072, discussion followed with the Board agreeing to leave this budget item as is. After

discussion it was agreed to add the \$4400 for A-1 (and wait to hear from Montgomery if this can be included in the grant), add the \$1000 for control board, and pull out the Capital Expense (can be included in the grant), remove the grant revenue including as a separate section at the bottom of the budget document. Kincaid made motion to approve preliminary budget for FY22; second by Clough. Motion carried unanimously.

d. Sato asked the Boards wishes for rates for FY22, do we want to leave the same as for FY21, or implement a rate increase. Clough commented on the operational versus capital projects with Kincaid commenting we have a \$14,000 cushion to make our budget balance; is \$14,000 enough? Discussion followed with the Board deciding to approve preliminary budget today with the noted changes, and wait to decide on the rate increase until we see the changes already noted, and wait for the further input from Montgomery. Greenbarg commented saying she was against a rate increase and hoped the Board would not raise the rates. Bales will send out the changes to the Preliminary Budget for Board review, adding the input from Montgomery.

e. The FY21 Budget Adjustments were approved as presented (attached) upon motion by Kincaid, second by McAughan. Motion carried unanimously.

f. Sato asked for a motion to approve the plant investment fees as listed below. Motion to approve by Clough, second by McAughan. Motion carried unanimously.

1. 534 Elk Highlands, Lot #3 NLW Phase 1 – Bianchi \$7219.40
2. 217 Elk Highlands, Lot #28 Phase 2 – Langford \$6574.58
3. 157 Inspiration Loop, Lot 6 Glades 4 – Seven Hills Construction \$5802.06
4. 161 Inspiration Loop, Lot 5 Glades 4 – Seven Hills Construction \$5802.06
5. 165 Inspiration Loop, Lot 4 Glades 4 – Seven Hills Construction \$6252.17
6. 157 Inspiration Loop, Lot 3 Glades 4 – Seven Hills Construction \$6252.17
7. 66 Elk Highlands, Lot #4 – Walls \$7799.74
8. 99 Orion Court, Lot #29 – Lowe \$10930.68
9. 126 Inspiration Loop, Lot #13 – Seven Hills Construction \$6574.58
10. 122 Inspiration Loop, Lot #14 – Seven Hills Construction \$6574.58
11. 116 Inspiration Loop, Lot #15 – Seven Hills Construction \$6574.58
12. 114 Inspiration Loop, Lot #16 – Seven Hills Construction \$6574.58
13. 157 Inspiration Loop, Lot #6 – Seven Hills Construction \$5802.06
14. 161 Inspiration Loop, Lot #5 – Seven Hills Construction \$5802.06
15. 165 Inspiration Loop, Lot #4 – Seven Hills Construction \$6252.17
16. 169 Inspiration Loop, Lot #3 – Seven Hills Construction \$6252.17

9. MISCELLANEOUS FOR THE GOOD OF THE ORDER

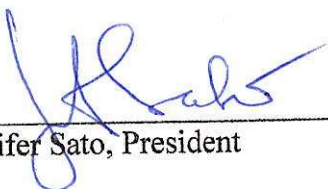
- a. Next Meetings – August 17, 2021 and September 28th

11. INFORMATIONAL CORRESPONDENCE (available for review from Administrative Manager)


- a. Safeguard – e checks

- b. Excavation Safety
- c. Rural Water – 2021 Infrastructure Funding Workshop (scanned & sent to Hanchett)
- d. M.E.T Automation & Controls

The meeting adjourned at 10:47 a.m.



Jennifer Sato, President



Leslie Bales, Secretary

ENGINEER'S MEMORANDUM

June 22, 2021

TO: Big Mountain County Sewer District (BMCSD) Board
FROM: Paul Montgomery, P.E. – AMCE
RE: Project Scope Revisions

President Sato and Board Members,

We have done a preliminary assessment of the supplemental CCTV inspection tapes that were received Friday 6/19. Here is a summary of those observations:

- A total of 14,740 lineal feet of sewermain has been inspected so far: the initially targeted 8,200 and the supplemental 6,540 just completed.
- These represent all of the pipes/manholes within sub-basins identified in the I&I study as "high flow".
- What we are finding is that only around 1,800 lineal feet of pipe warrants rehabilitation/replacement due to I&I;
- 17 manholes in the Village show signs of periodic or consistent I&I;
- 2 individual service lines show signs of consistent I&I;
- Base Lodge grease trap shows signs of significant inflow;
- Numerous manholes along the 2.9-mile outfall line show signs of infiltration as well as inflow with the lids within drainage swales.

The revised scope of the project will be:

- 1,800 lineal feet of 8" pipe rehabilitation/replacement
- 17 manhole replacements
- 12-16 manhole replacements on the outfall line – still quantifying
- Very rough ballpark cost estimate = \$500K
- Unsure whether A-1 will uncover any problems with the actual outfall pipe.

Funding:

- \$500K TSEP @ 50/50 match
- \$125K DNRC/RRGL
- At a \$500K project cost: \$250K TSEP; \$125K DNRC; \$125K Local

Questions/Answers

-
- Planning
 - Design
 - Construction
 - Finance

Paul Montgomery
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paul@a-mce.com

		Prior Year Budget FY21	Dept Request for FY 2021	Dept Request for FY 2022	Preliminary Budget FY22
NON-TAX REVENUE					
4050	Hook-up Fees	\$ 5,000	\$ 5,000	\$ 7,500	\$ 7,500
4060	Capital Credit Refund - FEC	\$ 100	\$ 100	\$ 100	\$ 100
4100	Interest Revenue	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500
4200	Penalties and Interest	\$ 900	\$ 900	\$ 2,000	\$ 2,000
	Total Non-Tax Revenue	\$ 10,500	\$ 10,500	\$ 14,100	\$ 14,100
TAX REVENUE					
4000	Tax/Assessment Revenue/Fees =	\$ 555,593	\$ 555,593	\$ 555,593	\$ 555,593
	Total Tax Revenue	\$ 555,593	\$ 555,593	\$ 555,593	\$ 555,593
	TOTAL REVENUE	\$ 566,093	\$ 566,093	\$ 569,693	\$ 569,693
OTHER RESOURCES					
	Cash available @ May 31				\$ 997,204.87
	Less outstanding warrants @ May 31				\$ 32,988.59
	Total Other Resources	\$ -			\$ 964,216.28
	TOTAL RESOURCES	\$ 566,093	\$ 566,093	\$ 569,693	\$ 1,533,909
MAINTENANCE & OPERATION EXPENDITURES					
5020	Line Fee (City of Whitefish)	\$ 310,000	310000	\$ 328,125	\$ 328,125
5030	Salaries (5 directors)	\$ 2,700	2700	\$ 3,075	\$ 3,075
5040	Dues & Subscriptions	\$ 1,000	1000	\$ 1,000	\$ 1,000
5041	Training	\$ 400	400	\$ 400	\$ 400
5050	Bonding & Insurance	\$ 2,000	2000	\$ 10,000	\$ 10,000
5071	Line Maintenance Expense	\$ 48,907	48907	\$ 16,542	\$ 20,942
5072	General Manager	\$ 800	800	\$ 800	\$ 800
5073	Lift Station 1 Operations	\$ 2,875	2875	\$ 2,850	\$ 2,850
5074	Lift Station 2 Operations	\$ 2,450	2450	\$ 2,850	\$ 2,850
5075	Office Expense	\$ 2,250	2250	\$ 2,500	\$ 2,500
5076	Legal	\$ 5,000	5000	\$ 5,000	\$ 5,000
5079	Lift Station Repairs	\$ 2,000	2000	\$ -	\$ 1,000
5080	Professional Fees (Engineer & Audit)	\$ 16,000	16000	\$ 16,000	\$ 16,000
5090	Maintenance-Labor	\$ 1,500	1500	\$ 1,800	\$ 1,800
5091	Maintenance-Supplies	\$ 2,210	2210	\$ 4,300	\$ 4,300
5100	Utilities	\$ 840	840	\$ 960	\$ 960
5110	District Administration	\$ 12,000	12000	\$ 12,000	\$ 12,000
5115	Management Fee	\$ 27,144	27144	\$ 27,960	\$ 27,960
5140	Office Supplies	\$ 750	750	\$ 1,000	\$ 1,000
5155	Telephone	\$ 810	810	\$ 930	\$ 930
5182	Records Retention	\$ 650	650	\$ 650	\$ 650
5650	Bank Charges	\$ 20	20	\$ 20	\$ 20
5700	Depreciation	\$ 42,000	42000	\$ 45,200	\$ 45,200
	CAPITAL EXPENSES			\$ 12,572	
6011	Capital Asset purchase - manhole raise (2)				
6019	Capital Asset purchase - pump				
	Total Maintenance & Operation Expe	\$ 484,308	\$ 484,306	\$ 496,534	\$ 489,362
GRANT APPLICATION EXPENSES					
	Engineering Services	\$ 29,700.00	\$ 29,700.00	\$ 29,700.00	\$ 29,700.00
	Legal Costs	\$ 3,250.00	\$ 3,250.00	\$ 3,250.00	\$ 3,250.00
	Bond Cost (Bank Charges)	\$ 11,000	\$ 11,000	\$ 11,000	\$ 11,000
	Loan Reserves	\$ 14,315	\$ 14,315	\$ 14,315	\$ 14,315
		\$ 58,265	\$ 58,265	\$ 58,265	\$ 58,265.00
	TOTAL EXPENDITURES	\$ 542,571	\$ 542,571	\$ 554,799	\$ 547,627
	CASH RESERVE (projected ending)	\$ 23,522	\$ 23,522	\$ 14,894	\$ 986,282

Using same Tax Assessment \$\$ as for FY21

CASH: (per Bank Rec's May 2021)
FI County - \$659,366.83
Parkside Savings - \$870.65
Parkside CD - \$209,851.13
Whitefish Cr Union - \$59,410.53
Glacier Bank (PIF's) - \$67,705.73
TOTAL CASH - \$997,204.87

Outstanding Warrants - \$32,988.59
Flathead County - \$32,988.59
Glacier Bank - none

AVAILABLE CASH - \$964,216.28

Long-term Reserves: \$337,838.04
Emergency Reserve - KEEP -- \$100,000
Project Reserve - \$237,838
Minimum Match - \$125,000
Remaining Reserve - \$112,838

\$12,572 Capital removed, part of I&I Project

Paul ok'd using same numbers as last year.
(this will cover any expenses not covered by the I&I project grant)

Yearly Reserve: \$ 14,894 \$ 22,066
(Total Revenue - Expenditures)

GRANT FUNDS					
RRGL			\$ 125,000	\$ 125,000	
TSEP (MT Coal Endowment)			\$ 500,000	\$ 500,000	
Total Grant Revenue			\$ 625,000	\$ 625,000	

1. Additional budget for Insurance Review - only pay current amount unless Board approves changes
2. Add \$4400 for the outflow line camera work - Paul checking to see if can be moved to project
3. Add \$1000 for new control board
4. Jason prepared mtce budget
6. See City of Whitefish breakdown - attached
6. Montgomery said would be good to leave these dollars budgeted, in case we need them.

FY22 DRAFT BUDGET FOR BIG MOUNTAIN SEWER DISTRICT

Detail Explanations for Increase

Non-Tax Revenues:

1. Increase Plant Investment Fee BMSD share. Increase from \$5,000 anticipated to \$7,500 due to increase in construction – both number of units and costs of units.
2. Reduce Investment Earnings as we have only received \$2000 so far for FY21.
3. Increase Penalties and Interest so more in line with FY21 actual numbers. We have received \$2,597 already for FY21.

(Note: Flathead County split Investment Earnings and Penalties and Interest a couple of years ago – now have enough history for better budget numbers.)

Tax Revenue:

1. Recommendation is to leave the cost per EDU the same for FY22 as it was in FY21. City of Whitefish was contacted, and they are not planning on a rate increase for FY22. This is on top of City of Whitefish not implementing the rate increase they had planned for FY21. The total assessment will change slightly based upon newly developed properties within the sewer district.

Grant Revenue:

1. BMSD received a \$125,000 grant for RRGL for our I & I project.
2. BMSD received a \$500,000 grant for TSEP (name changed to MT Coal Endowment Fund) also for our I & I project.

Expenditures:

1. 5020 City of Whitefish Fees – increase of 5% to cover additional usage from new construction (see estimate on Volume History sheet attached)
2. 5030 Director Salaries – increase by 1 meeting due to I & I project & grants
3. 5040 Dues & Subscriptions – same as last year
4. 5041 – Training for both Hanchett and Bales or the Board. Same as last year.
5. 5050 Bonding & Insurance – Bales was tasked to look into BMSD insurance coverage. While working with MT Association of Counties (MACo) their estimate was \$10,000. BMSD currently pays \$2,000. Bales is working on information from other sewer and water districts, then we should look at going out for quotes. These additionally budgeted monies will not be spent unless the Board decides we need to update our insurance coverage.
6. 5071 Line Maintenance Expense – was \$48,907 for FY21, Hanchett budget for FY22 is \$16,542. See Hanchett Maintenance Budget.
7. 5072 General Manager – annual stipend for Hanchett. President Sato commented on looking at increase due to upcoming I & I project. I can update the figure based upon Board decision.
8. 5073 & 5074 Lift Station Operations. Includes the annual contract for alarms. See Hanchett Maintenance Budget. Also includes \$125 per month for the Flathead Electric and NW Energy usage charges.

9. 5075 Office Expense – this includes legal notices, etc. If we go out for bids on insurance we will need to advertise.
10. 5076 Legal – Same as last year, we will need Attorney assistance with grants and I&I project.
11. 5079 Lift Station Repairs – Hanchett did not budget for FY22. Do we need to add in any monies?
12. 5080 Professional Fees – Same as FY21. \$6000 for audit and \$10,000 or engineering.
13. 5090 Maintenance/Labor – see Hanchett Maintenance Budget
14. 5091 Maintenance/Supplies – see Hanchett Maintenance Budget
15. 5100 Utilities – I added in a \$10 per month increase (usage and/or rate increase)
16. 5110 District Administration – same as FY21.
17. 5115 Management Fee – this is for our contract with Whitefish Mountain for PWS Hanchett and his crew. A copy of the contract showing the annual increase is attached.
18. 5140 Office Supplies – increased by \$250 as may need to do mailings informing our users of the I & I project.
19. 5155 Telephone – I increased by \$10 per month for potential rate increases.
20. 5182 Records Retention – remained the same as FY21.
21. 5650 Bank Charges – remained the same as FY21.
22. 5700 Depreciation – we are adding donated assets from Glades 4 and Northern Lights West Phase 3 so depreciation increases along with the value of our assets.

Capital Expense:

1. Hanchett has a capital project to raise two manholes – this is part of the planning for the I & I project.

Grant Application Expenses:

At this time, I left the number provided by Paul Montgomery the same as for the FY21 budget. As soon as we get updated numbers from Paul we will adjust these for our final budget.

**Big Mountain Sewer District
FY 2021 Final Budget Adjustments**

Ordinary Income/Expense

Income

4060 · Capital Credit Refund - FEC
4000 · User Fees
4050 · Hookup Fees (PIF's)
4100 · Interest Income
4200 · Penalties and Interest

Total Income

Expense

5020 · City Fees (Sewer Bill)
5030 · Director Fees (BMSD Board)
5040 · Dues & Subscriptions
5041 · Training
5050 · Insurance
5071 · Line maintenance expense
5072 · Manager Fee (Hanchett Annual)
5073 · Lift Station I Operations
5074 · Lift Station II Operations
5075 · Office Expense
5076 · Legal Expense
5079 · Lift Station Repairs
5080 · Professional Fees (Audit & Engrs)
5090 · Maintenance - Labor
5091 · Maintenance - Supplies
5100 · Utilities
5110 · Management Fees-Administration
5115 · Management Fees-Maintenance (WSI)
5140 · Office Supplies
5155 · Telephone Expense
5182 · Records Retention and Storage
5650 · Bank Charges
5700 · Depreciation (Capital Assets)

CAPITAL OUTLAY

6019 -Base Lodge Lift Station East Pump #1
6011 - Ovalized Line Repairs

TOTAL GENERAL BUDGET

GRANT & PROJECT EXPENSES

5060 - Interest Expense - Revenue Bond
5120 - Engineer Services
Legal Costs
Loan Reserves

TOTAL GRAND & PROJECT EXPENSES

TOTAL BUDGET FOR FY21

	FY 2021 Beginning Budget	FY 2021 Budget Adjustment	FY 2021 Adjusted Budget
\$ 100.00			\$ 100.00
\$ 555,593.00			\$ 555,593.00
\$ 5,000.00			\$ 5,000.00
\$ 4,500.00			\$ 4,500.00
\$ 900.00			\$ 900.00
\$ 566,093.00	\$ -		\$ 566,093.00
\$ 310,000.00	\$ -		\$ 310,000.00
\$ 2,700.00	\$ -		\$ 2,700.00
\$ 1,000.00	\$ -		\$ 1,000.00
\$ 400.00	\$ -		\$ 400.00
\$ 2,000.00	\$ -		\$ 2,000.00
\$ 48,907.00	\$ (3,459.00)		\$ 45,448.00
\$ 800.00	\$ -		\$ 800.00
\$ 2,875.00	\$ (47.00)		\$ 2,828.00
\$ 2,450.00	\$ -		\$ 2,450.00
\$ 2,250.00	\$ 250.00		\$ 2,500.00
\$ 5,000.00	\$ -		\$ 5,000.00
\$ 2,000.00	\$ -		\$ 2,000.00
\$ 16,000.00	\$ 5,720.00		\$ 21,720.00
\$ 1,500.00	\$ -		\$ 1,500.00
\$ 2,210.00	\$ -		\$ 2,210.00
\$ 840.00	\$ 47.00		\$ 887.00
\$ 12,000.00	\$ -		\$ 12,000.00
\$ 27,144.00	\$ -		\$ 27,144.00
\$ 750.00	\$ (250.00)		\$ 500.00
\$ 810.00	\$ -		\$ 810.00
\$ 650.00	\$ -		\$ 650.00
\$ 20.00	\$ -		\$ 20.00
\$ 42,000.00	\$ 3,459.00		\$ 45,459.00
\$ 484,306.00	\$ 5,720.00		\$ 490,026.00
\$ -	\$ -		\$ -
\$ -	\$ -		\$ -
\$ 484,306.00	\$ 5,720.00		\$ 490,026.00
\$ 11,000.00	\$ -		\$ 11,000.00
\$ 29,700.00	\$ (5,720.00)		\$ 23,980.00
\$ 3,250.00	\$ -		\$ 3,250.00
\$ 14,315.00	\$ -		\$ 14,315.00
\$ 58,265.00	\$ (5,720.00)		\$ 52,545.00
\$ 542,571.00	\$ 5,720.00		\$ 542,571.00

\$ 542,571.00

Prepared by: Leslie Bales

Budget Adjustments for FY2021

1. 5140 OFFICE SUPPLIES to 5075 OFFICE EXPENSE (-\$250)
2. 5075 OFFICE EXPENSE from 5140 OFFICE SUPPLIES (+250)
3. 5120 ENGINEER SERVICES to 5080 PROFESSIONAL FEES (-\$5720) to cover Contract Amendment #2 for Anderson-Montgomery additional work for I&I Project and Grants
4. 5080 PROFESSIONAL FEES from 5120 ENGINEER SERVICES (+\$5720) if the Board approves Contract Amendment #3 for Anderson-Montgomery additional work for I&I Project and Grants
5. 5073 Lift Station I Operations to 5100 Utilities (+\$47)
6. 5100 Utilities to 5073 Lift Station I Operations (-\$47) utility costs increased slightly
7. 5700 DEPRECIATION from 5071 LINE MAINTENANCE EXPENSE (+\$3,459) for additional depreciation on capital assets
8. 5017 LINE MAINTENANCE EXPENSE (-\$3459) for additional depreciation on capital assets

PLEASE NOTE: Adjustments to line items are less than budget remaining in other lines of the FY21 Budget. This is basically housekeeping to abide by governmental accounting practices.

Explanations of Adjustments:

1. Office Expense – during FY21 we subscribed to Zoom for \$155.52 which was not anticipated, and we paid a three-year service agreement with Quickbooks for \$399.99 which was a savings over the new \$199.99 per year price.
2. Professional Fees – we actually have engineering monies budgeted, but we need to keep the expenses once the project starts and we receive the grants separate from the preliminary engineering. This is just a technicality.
3. Utilities – utility costs increased slightly, these costs are split between 5073, 5074, 5100, and 5155. There was total funds budgeted for utilities, \$47 just needed to be moved to one of the other funds.
4. When the Board approved the donation of the assets from Glades 4 and Northern Lights Phase 3 it increases our assets for 2021, and also our depreciation expense which is a year-end entry.

LRB